

ORIGINAL

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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

B & M TERMINAL FACILITIES, INC., a corporation, for authority to sell its warehouse property and to issue a promissory note and deed of trust incident to the acquisition of new warehouse property, pursuant to Sections 816-830 and 851-853 of the Public Utilities Code, and of BRAKE DELIVERY SERVICE, a corporation, for authority to guarantee the payment of said promissory note, pursuant to Section 830 of the Public Utilities Code.

Application No. 46207
Filed February 18, 1964

O P I N I O N

This is an application for an order of the Commission (1) authorizing B & M Terminal Facilities, Inc. to exchange its present warehouse property for other property, (2) authorizing B & M Terminal Facilities, Inc. to issue a promissory note and to execute a deed of trust, and (3) authorizing Brake Delivery Service to execute its guarantee of said promissory note.

B & M Terminal Facilities, Inc. possesses a prescriptive operative right as a public utility warehouseman in the City of Vernon as determined by the Commission on August 23, 1960 in Case No. 6862. In addition to operating a public utility warehouse business, it provides terminal facilities for the conducting of motor carrier operations by two affiliated California

corporations, namely, Brake Delivery Service and Charles Grace Enterprises, Inc., doing business as Meier Transfer Service. The three corporations are controlled by Harold M. Brake through stock ownership.

Applicants allege that the present warehouse-terminal facility is inadequate to accommodate the growing business volume of the two motor carrier affiliates and that new facilities are required to give adequate service to shippers and simultaneously to provide sufficient warehouse facilities to the public.

B & M Terminal Facilities, Inc. reports that it has entered into an agreement to trade said warehouse-terminal property in exchange for a five acre parcel of unimproved land also located in the City of Vernon. It proposes to issue a ten-year promissory note in favor of First Western Bank and Trust Company in the principal amount of \$253,385 and to utilize a portion of the proceeds for paying a balance of \$53,385 outstanding on the note authorized by Decision No. 59052, dated September 29, 1959, in Application No. 41460. The remaining \$200,000 of the proceeds will be applied to the construction of improvements on the property to be acquired, said improvements to include a new warehouse-terminal building approximately 16,000 square feet in area. The proposed note will be payable in monthly installments of \$2,112 with interest also payable monthly at the rate of 5% per annum, and payment will be secured by a deed of trust.

Brake Delivery Service, a highway common carrier operating in portions of southern California, severally and jointly with Charles Grace Enterprises, Inc., doing business as Meier Transfer Service, a nonutility permit carrier, propose to execute a continuing guaranty of said \$253,385 promissory note.

Applicants assert that the proposed exchange of property will be mutually advantageous to the public and to the three affiliated corporations, inasmuch as the expanded warehouse-terminal facilities will expedite service.

The Commission has considered this matter and finds that: (1) the proposed transfer of warehouse and terminal property in exchange for other property will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the promissory note herein authorized is reasonably required for the purposes specified herein; (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; and (4) the execution of the continuing guaranty herein authorized will not be adverse to the public interest.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The action taken herein shall not be construed to be a finding of the value of the property to be transferred or acquired.

O R D E R

IT IS ORDERED that:

1. B & M Terminal Facilities, Inc. may transfer its present warehouse and terminal property in the City of Vernon for other property located in the same city, as set forth in the application.

2. For the purposes specified herein, B & M Terminal Facilities, Inc. may execute a deed of trust and may issue a promissory note in the principal amount of not to exceed \$253,385, such deed of trust and note to be in the same form, or in substantially the same form, as those attached to the application as Exhibit B.

3. Brake Delivery Service, jointly with Charles Grace Enterprises, Inc., doing business as Meier Transfer Service, and severally, may execute a continuing guaranty in the same form, or in substantially the same form, as that attached to the application as Exhibit C.

4. B & M Terminal Facilities, Inc. shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. This order shall become effective when B & M Terminal Facilities, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$200. Any authority herein granted and not exercised will expire on June 30, 1964.

Dated at Los Angeles, California,
this 3rd day of MARCH 1, 1964.

President
George H. Hoover
Fredrick B. Holoboff

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

